



House of Representatives

General Assembly

File No. 688

January Session, 2013

House Bill No. 6445

House of Representatives, May 2, 2013

The Committee on Judiciary reported through REP. FOX, G. of the 146th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING SERVICES THAT MAY BE PROVIDED BY PROFESSIONAL CORPORATIONS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 33-182a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2013*):

3 As used in this chapter:

4 (1) "Professional service" means any type of service to the public
5 that requires that members of a profession rendering such service
6 obtain a license or other legal authorization as a condition precedent to
7 the rendition thereof, limited to the professional services rendered by
8 dentists, natureopaths, chiropractors, physicians and surgeons,
9 physician assistants, doctors of dentistry, physical therapists,
10 occupational therapists, podiatrists, optometrists, nurses,
11 nurse-midwives, veterinarians, pharmacists, architects, professional
12 engineers, or jointly by architects and professional engineers,
13 landscape architects, real estate brokers, insurance producers, certified

14 public accountants and public accountants, land surveyors,
15 psychologists, attorneys-at-law, licensed marital and family therapists,
16 licensed professional counselors and licensed clinical social workers.

17 (2) "Professional corporation" means (A) a corporation which is
18 organized under this chapter for the sole and specific purpose of
19 rendering professional service and which has as its shareholders only
20 individuals who themselves are licensed or otherwise legally
21 authorized to render the same professional service as the corporation,
22 (B) a corporation which is organized under this chapter for the sole
23 and specific purpose of rendering professional services rendered by
24 members of two or more of the following professions: Psychology,
25 marital and family therapy, social work, nursing, professional
26 counseling and psychiatry and that has as its shareholders only
27 individuals who themselves are licensed or otherwise legally
28 authorized to render one of the professional services for which the
29 corporation was specifically incorporated, (C) a corporation which is
30 organized under this chapter for the sole and specific purpose of
31 rendering professional services by physicians specializing in
32 ophthalmology and optometrists and that has as its shareholders only
33 individuals who themselves are licensed or otherwise legally
34 authorized to render one of the professional services for which the
35 corporation was specifically incorporated, (D) a corporation which is
36 organized under this chapter for the sole and specific purpose of
37 rendering professional services by (i) physicians, and (ii) physician
38 assistants or advanced practice registered nurses, or both, and that has
39 as its shareholders only individuals who themselves are licensed or
40 otherwise legally authorized to render one of the professional services
41 for which the corporation was specifically incorporated, [or] (E) a
42 corporation which is organized under this chapter for the sole and
43 specific purpose of rendering professional services by physicians and
44 chiropractors and that has as its shareholders only individuals who
45 themselves are licensed or otherwise legally authorized to render one
46 of the professional services for which the corporation was specifically
47 incorporated, or (F) a corporation which is organized under this
48 chapter for the sole and specific purpose of rendering professional

49 services by physicians and podiatrists and that has as its shareholders
50 only individuals who themselves are licensed or otherwise legally
51 authorized to render one of the professional services for which the
52 corporation was specifically incorporated.

53 (3) "Shareholder" means the holder of any shares of the capital stock
54 of a professional corporation. The shareholders of a professional
55 corporation may be designated as "members" in its certificate of
56 incorporation, bylaws and other corporate documents and may be
57 referred to, for all purposes, as "members", whether or not so
58 designated; and the term "shareholder" or "shareholders", when used
59 in the general statutes in reference to the shareholders of a professional
60 corporation, shall include such "members".

61 Sec. 2. Section 33-182c of the general statutes is repealed and the
62 following is substituted in lieu thereof (*Effective October 1, 2013*):

63 (a) Any person or group of persons licensed or otherwise legally
64 authorized to render the same professional services may organize and
65 become a shareholder or shareholders of a professional corporation for
66 profit under the provisions of chapter 601, for the sole and specific
67 purpose of rendering the same professional service.

68 (b) Any group of persons, each member of which is licensed or
69 otherwise legally authorized to render any of the professional services
70 specified in subparagraph (B), (C), (D), ~~or~~ (E) or (F) of subdivision (2)
71 of section 33-182a, as amended by this act, may organize and become
72 shareholders of a professional corporation for profit under the
73 provisions of chapter 601, for the sole and specific purpose of
74 rendering two or more of the professional services specified in said
75 subparagraph (B), (C), (D), ~~or~~ (E) or (F), respectively.

76 (c) Persons licensed to render the same professional services in
77 another jurisdiction shall not be shareholders, directors or officers of a
78 professional corporation if such persons (1) unlawfully practice their
79 profession in this state, or (2) direct or control any person licensed to
80 practice such profession in this state concerning the delivery of

- 81 professional services or the exercise of professional judgment.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2013</i>	33-182a
Sec. 2	<i>October 1, 2013</i>	33-182c

JUD *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note***State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill, which modifies the definition of a professional corporation, has no fiscal impact.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**HB 6445*****AN ACT CONCERNING SERVICES THAT MAY BE PROVIDED BY PROFESSIONAL CORPORATIONS.*****SUMMARY:**

This bill authorizes physicians and podiatrists to form a professional service corporation together to offer their services. All of the shareholders must be licensed or legally authorized to provide these services.

EFFECTIVE DATE: October 1, 2013

BACKGROUND***Related Bill***

HB 6431 (File 217), reported favorably by the Labor and Public Employees Committee, authorizes certain health care providers (including physicians and podiatrists) to enter into cooperative arrangements to negotiate fees as a group with insurers or other managed care organizations. It allows them to apply to the attorney general for a certificate of public advantage, generally exempting them from state antitrust laws.

COMMITTEE ACTION

Judiciary Committee

Joint Favorable

Yea 44 Nay 0 (04/16/2013)